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Chairman: Mr. Abelian ..... (Armenia)
later: Ms. Brennen-Haylock ..... (Bahamas)
later: Mr. Abelian ..... (Armenia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 10 a.m.

Agenda item 163: Financing of the United Nations Observer Mission in Sierra Leone (*continued*) (A/C.5/53/L.14)

1. **Ms. Duschner** (Canada) introduced draft resolution A/C.5/53/L.14, entitled "Financing of the United Nations Observer Mission in Sierra Leone". The draft resolution had been agreed upon by consensus in informal consultations.

2. *Draft resolution A/C.5/53/L.14 was adopted.*

3. **Mr. Sial** (Pakistan) said that his delegation had joined the consensus on draft resolution A/C.5/53/L.14, which was a standard draft resolution on the financing of a peacekeeping operation. However, questions had been raised in the informal consultations as to how the "maximum of efficiency and economy" referred to in paragraph 4 was to be achieved. He hoped that the Secretariat would address the points raised in the informal consultations.

Agenda item 118: Scale of assessments for the apportionment of the expenses of the United Nations (*continued*) (A/C.5/53/35; A/C.5/53/L.13)

4. **Mr. Smyth** (Ireland), introducing draft resolution A/C.5/53/L.13, entitled "Scale of assessments for the apportionment of the expenses of the United Nations", said that the draft resolution had been agreed upon by consensus in informal consultations.

5. **Mr. Bond** (United States of America) said that his delegation had some misgivings about the draft resolution, which concerned the requests of Bosnia and Herzegovina, the Republic of the Congo and Iraq for exemption under Article 19 of the Charter. The decision taken by the Fifth Committee at its 5th meeting to grant two other exemptions to Article 19 without referring them to the Committee on Contributions might have arisen from a short-term imperative, but no such urgency existed in the case of the three requests currently in question. Thus, the decision to circumvent rule 160 of the rules of procedure of the General Assembly would cost the Organization over a quarter of a million dollars for no apparent reason.

6. His delegation had always supported the role of the Committee on Contributions in advising the General Assembly on requests for exemption. The General Assembly could make recommendations to the Committee on Contributions on how to adjust its work programme to deal with such requests. The hasty, ad hoc process that had taken place in the past few weeks was not an appropriate way to take important decisions. However, his delegation would accept the draft resolution on the understanding that the Committee on Contributions would take into consideration what it expected to accomplish during its special session and reduce its regular session in June by a proportional amount. He also hoped that consideration would be given to ways of dealing rationally and fairly with requests for exemption under Article 19.

7. **Mr. Zhang Wanhai** (China), supported by **Mr. Atiyanto** (Indonesia), said that his delegation would join the consensus on draft resolution A/C.5/53/L.13. All requests for exemption under Article 19 must be made through the appropriate procedures, and the principle of equal treatment for all Member States must be observed. He hoped that, in future, the consideration of such requests would be based on those two principles.

8. **Mr. Schlesinger** (Austria), speaking on behalf of the European Union, said that the decision contained in draft resolution A/C.5/53/L.13 represented a major improvement over the decision taken at the Committee's 5th meeting. He supported the involvement of the Committee on Contributions in the procedure for granting exemptions under Article 19. He thanked the three countries concerned for their flexibility during the Fifth Committee's deliberations, and said he hoped that the Committee would adopt a resolution establishing a procedure that would obviate the need for future special sessions of the Committee on Contributions.

9. *Draft resolution A/C.5/53/L.13 was adopted.*

10. **The Chairman** drew attention to document A/C.5/53/35, which contained the Secretary-General's statement on the programme budget implications of draft resolution A/C.5/53/L.13.

11. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), orally introducing the report of the Advisory Committee, said that, in accordance with the draft resolution which the Fifth Committee was recommending for adoption, the General Assembly would request the Committee on Contributions to hold a special session of one week's duration as early as possible in 1999. Paragraph 4 of the Secretary-General's statement on the programme budget implications of that draft resolution (A/C.5/53/35) indicated that total expenditure of $271,800 would arise, comprising $94,800 for travel and subsistence of members and $177,000 for conference services. Since the costs of conference services could be met from resources already programmed under the programme budget for the biennium 1998–1999, only the travel and subsistence expenses remained to be met. The Advisory Committee recommended that the Fifth Committee should

inform the General Assembly that, should it adopt draft resolution A/C.5/53/L.13, an additional amount of $94,800 would be required under section 1A (Overall policy-making, direction and coordination) of the programme budget for the biennium 1998–1999.

12. **Mr. Bond** (United States of America) asked whether a reduction in the length of the June session of the Committee on Contributions would result in budgetary savings that would offset the costs of the special session.

13. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee did not mean that an additional assessment on Member States would necessarily be required. To the extent that savings could be identified to cover the costs of the special session, no additional assessment would be required.

14. **The Chairman** said he took it that the Committee wished to inform the General Assembly that, should it adopt draft resolution A/C.5/53/L.13, an additional appropriation of $94,800 would be required under section 1A (Overall policy-making, direction and coordination) of the programme budget for the biennium 1998–1999. That requirement would be considered in the context of the first performance report for the biennium 1998–1999.

15. *It was so decided.*

16. **Mr. Watanabe** (Japan) said it was very important that the Member States concerned should heed the invitation, in paragraph 3 of draft resolution A/C.5/53/L.13, to submit detailed information to the Committee on Contributions in explanation of their requests as soon as possible.

17. **Mr. Odaga-Jalomayo** (Uganda) said that his delegation had reluctantly joined the consensus on the draft resolution. In future, all requests for waivers of Article 19 must be submitted in accordance with rule 160 of the rules of procedure of the General Assembly. In general, all such requests should be submitted on time to the regular sessions of the Committee on Contributions so that the General Assembly could take informed decisions on them. Member States must work collectively to strengthen the application of Article 19. He understood that the special session of the Committee on Contributions would not be held at the expense of that Committee's regular session, which already had a very full agenda. At the special session, the Committee on Contributions should consider general aspects of the application of Article 19 so that it could concentrate on the scale methodology at its regular session.

18. **Mr. Dausa Cespedes** (Cuba) said that he supported the comments made by the representative of China. He regretted that, in taking the decision contained in draft resolution A/C.5/53/L.13, the Fifth Committee had taken an unequal and selective approach to the cases of different countries which had submitted the same type of request.

19. **Ms. Powles** (New Zealand) said she was pleased that the draft resolution just adopted reaffirmed the provisions of Article 19 of the Charter and of rule 160 of the rules of procedure. That represented an improvement over the events that had taken place earlier in the session, as it rightly brought the Committee on Contributions back into the process by which the General Assembly considered requests for exemption under Article 19. Lastly, she shared the views expressed by the representative of Uganda.

20. **Mr. Armitage** (Australia) said he was pleased that the Fifth Committee had decided to seek the advice of the Committee on Contributions in connection with requests for exemption under Article 19. That was a prudent approach, since the Fifth Committee should act on the basis of sound technical advice from the body which had been established for the purpose of providing such advice. That would also help to ensure that Article 19 remained a viable and effective instrument. He hoped that, in future, options less costly than that of a special session could be chosen. Lastly, he appreciated the patience shown by the three countries concerned.

21. **Mr. Bay** (Singapore) said that he appreciated the flexibility and the spirit of cooperation displayed by the three Member States in question. The Fifth Committee had taken more than a month to reach its decision, but that decision represented a step in the right direction. In view of the importance of adhering to rule 160 of the rules of procedure, he supported the reaffirmation in the draft resolution of the importance of channelling requests for exemption through the Committee on Contributions.

22. **Mr. Daka** (Zambia) said that he had joined the consensus on the draft resolution on the understanding that two wrongs did not make a right. He hoped that the draft resolution's emphasis on the importance of applying rule 160 would put a stop to back-door requests for exemption.

23. **Mr. Gotienne** (Republic of the Congo) said that he had some reservations about the rather hasty conclusions being drawn from the adoption of draft resolution A/C.5/53/L.13. It was dangerous to conclude that the draft resolution represented a definitive decision to apply Article 19 of the Charter and rule 160 of the rules of procedure strictly in the future; the text also contained a request for a special session of the Committee on Contributions, although that did not mean that Member States had decided to institutionalize such special sessions.

24. **Mr. Jaremczuk** (Poland) said that he fully shared the views expressed by the representative of Austria on behalf of the European Union.

25. **Mr. Atiyanto** (Indonesia) said he hoped that the Committee on Contributions would give favourable consideration to the requests for exemption under Article 19 submitted by Bosnia and Herzegovina, the Republic of the Congo and Iraq.

Agenda item 119: Human resources management (*continued*) (A/52/814; A/53/266, A/53/327, A/53/342, A/53/375 and Corr.1, A/53/385, A/53/414, A/53/501, A/53/502, A/53/526 and Add.1 and A/53/548; A/C.5/52/2; A/C.5/53/L.3)

26. **Mr. Zhang Wanhai** (China) said that he supported the statement on human resources management made by the representative of the Syrian Arab Republic at the previous meeting, especially with respect to the security of United Nations personnel, to which his delegation attached great importance. From a procedural viewpoint, that issue should be discussed in the Fifth Committee.

27. **Mr. Odaga-Jalomayo** (Uganda) said that the late issuance of some of the reports of the Secretary-General on human resources management made it difficult for delegations, particularly those of the developing countries, to contribute to the discussion of the item.

28. The impression given in the report of the Secretary-General on human resources management reform (A/53/414) that nothing worked in the Organization was unfair to the staff, which had kept the United Nations functioning under difficult circumstances. The Organization should adopt a more appropriate management style and hold staff accountable for results instead of for the process. In that connection, the Office of Human Resources Management (OHRM) should continue to be the focal point for ensuring that all staff received equal treatment through the application of the relevant rules and regulations.

29. On the question of the continuing reform of the Organization, he said that the United Nations was a unique organization; it was not a profit-making body and could not be run like a corporation or be based on models taken from a particular Member State or group of Member States. Its problems therefore could not be resolved by reforms which were largely confined to changes in management approaches and the mechanical transplant of models, techniques and institutional approaches that properly belonged to transnational corporations or national Governments. The vision of the founding fathers had been to create an organization that encompassed all the peoples of the world, regardless of sex, religious belief or nationality.

30. In order to secure the highest standards of efficiency, competence and integrity, the Organization must attract the best human resources through, *inter alia*, adequate remuneration, investment in training, the prompt filling of vacancies and the avoidance of discrimination on grounds of race, colour, religious belief or nationality.

31. The issues of gender equality and the treatment of minority groups, particularly those of African descent, within the Secretariat were of paramount importance to his delegation. Despite some movement in the right direction, the pace at which qualified female candidates were being appointed to posts at the senior and policy-making levels was regrettably slow. Moreover, while his delegation supported the concept of attaining gender balance within the Organization, it cautioned that that goal should not be achieved at the expense of the principle of equitable geographical distribution. Gender balance should not mean the recruitment of female staff from a particular geographical region; the recruitment of female staff, particularly at the senior and policy-making levels, should be based on as wide a geographical basis as possible. In that connection, his delegation noted with disappointment that, for certain regions, the number of female staff in posts subject to geographical distribution as a percentage of total female staff was very low, while for other regions it was much higher. It therefore called on the Secretary-General to take deliberate affirmative action to address that anomaly without undermining the efficiency, competence and integrity of the Organization and to provide the Committee with detailed information on the nationality of all female staff members currently occupying posts at the D-1 and higher levels.

32. Some delegations were also greatly disturbed by reports that staff members of colour, especially those of African descent, had the perception that they were being discriminated against. The United Nations was the last place in which one would expect to hear allegations of discrimination on the grounds of race. While commendable steps had been taken to rid the Organization of gender discrimination, it would be helpful to know what steps had been taken by OHRM to address allegations of discrimination based on colour or race. To date the questionnaires and results of the survey on racial discrimination in the Organization which OHRM had undertaken to conduct in 1996 had not yet been made available to the Committee. There was no smoke without a fire, and the whispers about racial discrimination which were being heard in the corridors of the United Nations meant that the practice existed. His delegation therefore called on the

Secretariat to conduct a joint staff-management investigation of the problem as early as possible and to submit its findings to the Committee. Measures similar to those which had been adopted to deal with the issue of gender discrimination should also be taken to put an end to discriminatory treatment in all its forms and manifestations.

33. *Ms. Brennen-Haylock (Bahamas), Vice-Chairman, took the Chair.*

34. **Mr. Dausa Cespedes** (Cuba) expressed concern that the Secretary-General's stated intention to delegate authority to programme managers did not take due account of the concerns of Member States which had been reflected in various resolutions on the subject, including in particular General Assembly resolution 51/226. Moreover, the report of the Secretary-General on human resources management (A/53/342) failed to set out appropriate procedures for evaluating the quality of the decisions of programme managers and the action that should follow when wrong or improper decisions were taken. Decentralization could not succeed until effective measures were taken in that area. Indeed, an effective system of accountability would help to improve the morale of staff and promote the transparency required for effective human resources management.

35. In that connection, his delegation would welcome additional information from the Secretariat on the steps that had been taken thus far to implement the decisions contained in section II, paragraphs 2 and 3, of General Assembly resolution 51/226. It also wished to know how the new proposals for human resources management conformed to the system of delegation of authority and accountability which the Secretary-General had outlined in his report on the establishment of a transparent and effective system of accountability and responsibility (A/C.5/49/1*). Increased delegation of authority, moreover, must be accompanied by the strengthening of the internal system of justice in order to guarantee that decisions taken were just, balanced and non-discriminatory.

36. He did not agree with the Secretary-General's proposal that staff promoted to the Professional category on the basis of competitive examinations should first serve a probationary period, since many of them already had permanent contracts. The performance of such staff could be measured by an effective system of evaluation.

37. Given the difficulties which staff continued to experience in securing promotion to the Professional category, his delegation would welcome information from the Secretariat on the implementation of General Assembly resolution 51/226, which provided that all staff members who had completed their probationary period should be considered for conversion to permanent appointment and that candidates who had been successful in the national competitive examinations should be placed within a period of one year.

38. With regard to the report of the Secretary-General on the composition of the Secretariat (A/53/375), his delegation noted with concern the imbalance in the geographical representation of developing countries at the senior and policy-making levels, despite the provisions of section III B, paragraph 3, of General Assembly resolution 51/226. The Secretariat should therefore take immediate steps to correct that situation and should provide additional information on the steps it had taken to ensure equitable geographical distribution and broader representation of staff within departments, as it had been requested to do in General Assembly resolution 49/222.

39. Despite the General Assembly's recommendation that no post should be considered the exclusive preserve of a particular Member State, experience had shown that certain posts were always held by nationals of the same State and that, in other cases, posts at the senior and policy-making levels rotated among nationals of the developed countries. Such a situation was unacceptable and the draft resolution to be adopted by the Committee should propose measures to redress that situation.

40. On the subject of the comprehensive guidelines for the use of consultants (A/53/385), his delegation was extremely concerned at the recommendation of the Office of Internal Oversight Services (OIOS) which appeared to subordinate the principle of equitable geographical distribution in the hiring of consultants to the achievement of savings. The recommendation violated the principles of the Charter and numerous resolutions of the General Assembly and called into question the commitment of the Secretary-General to ensure respect for the principle of equitable geographical distribution. The proposals of OIOS in effect limited the hiring of retired staff members resident in States in which there was no United Nations office; that also appeared to be a violation of the above-mentioned principles. Since retired staff members were recruited mainly for the servicing of conferences and in view of the difficulties experienced by the Department of General Assembly Affairs and Conference Services in that area, it would be helpful if a representative of that Department could explain what implications the recommendations would have for the Department's activities. He also asked whether in practice the hiring of retired staff members had affected the career prospects of current staff members.

41. **Mr. Ahounou** (Côte d'Ivoire) said that the effectiveness of the United Nations depended on the structural reform of the Organization and on the reform of its human resources management. No programme of reform could succeed, however, without the participation of the staff in the major decisions and approaches adopted. It was in that connection that he wished to make a number of observations.

42. On the subject of the recruitment of staff, he said that, while the system of competitive examinations — under which all candidates irrespective of nationality were placed in the same pool — allowed for greater equity, objectivity and transparency in the selection of personnel, the new system, by failing to set aside a quota of posts for each State, as had been done in the recent past, often had the effect of excluding nationals from developing countries, very few of whom sat the examinations in the first place. The quota system should therefore be maintained and nationals of the developing countries should also be considered for posts not filled by competitive examinations, namely, at the P-4 and higher levels.

43. On the subject of promotion, fewer and fewer nationals from African Member States were being appointed to senior posts within the Secretariat. A typical African staff member recruited at the P-2 level took an average of between 15 and 17 years to reach the P-4 level and very often retired before being promoted to the P-5 level, while other staff members took an average of 11 years to move up from the P-2 to the P-5 level. Indeed, many African staff members believed that they were denied opportunities for career advancement in the Organization and were relegated to subordinate positions, regardless of their qualifications, competence and experience.

44. The principle of equitable geographical distribution must be applied both quantitatively and qualitatively. Nationals of certain States had always held posts at the senior and policy-making levels to the detriment of nationals of other States. The same principle pursuant to which the Organization had taken special steps to improve the situation of women in the Secretariat should therefore also apply to the occupation of posts by the nationals of Member States. Apart from specific, short-term measures aimed at correcting particular situations of imbalance, the recruitment and career advancement of staff must be based solely on the criteria of competence, integrity and experience under a system that was transparent and fair.

45. In granting greater responsibility to programme managers for the career development of their subordinates, it should not be forgotten that situations of injustice and discrimination might arise, particularly given the multiracial and multicultural composition of the Organization. The Office of Human Resources Management should therefore be given general oversight responsibilities in matters relating to the recruitment and career development of staff members so as to prevent the development of ethnic or racial ghettos around certain of the Organization's programme managers.

46. *Mr. Abelian (Armenia) resumed the Chair.*

47. **Mr. Mirmohammad** (Islamic Republic of Iran) said that it was not clear whether the Secretariat had developed the required guidelines to apply effectively in a multilateral environment the universal norms and standards on career planning and human resources management and the principle of equitable geographical representation, or whether any systematic monitoring mechanism had been put in place to ensure the proper implementation at the departmental level of the relevant decisions of the General Assembly. For the system of delegation of authority to succeed, managers must be systematically trained and empowered to use their authority with the utmost care.

48. On the question of career development, the lack of opportunities for advancement could tilt the scales in favour of fixed-term and non-career staff, thereby depriving the Organization of the core institutional capacity that was so essential for ensuring the continuity and effectiveness of its work. While his delegation took note of the Secretariat's efforts to strengthen the performance appraisal system, that system should not be seen as a substitute for career development.

49. The lack of internal controls and other weaknesses of the system for the hiring of consultants were a further cause of concern. The use of consultants could hide imbalances in the geographical representation of staff, and the replacement of permanent staff by short-term staff and consultants undermined the Organization's institutional memory and affected the delivery of mandated programmes.

50. **Mr. Elmontaser** (Libyan Arab Jamahiriya), said that his delegation supported the statement made by the representative of Indonesia on behalf of the Group of 77 and China concerning the report of the Secretary-General on human resources management reform and looked forward to the issuance by the Secretariat of the reports requested by the General Assembly. His delegation had been concerned at the results of the audit of the use of consultants as reported in document A/52/814.

51. Referring to the report of the Secretary-General on the composition of the Secretariat (A/53/375), he said that priority should be given, in making appointments, to unrepresented and under-represented countries. His

delegation regretted that the information given in the report was incorrect in suggesting that his country was one of those whose representation was within the desirable range. Certain names that were listed in error under the name of his country, for example in documents ST/ADM/R.50 and ST/ADM/R.51, had been taken into account in calculating the desirable range. That was a matter of regret for his delegation; he asked the Secretariat to correct its statistics immediately and to inform his country of the reasons for the errors. He also asked for the equitable representation of his country in the making of appointments.

52. He hoped that particular importance would be given to training and improving the skills of the staff, particularly in the area of languages and in the utilization of the services afforded by technology and the Internet with regard to translation and interpretation.

53. In conclusion, he called for an increase in the ratio of appointments subject to geographical distribution and for the use of criteria in addition to those currently used for defining the desirable range for the purposes of the geographical distribution of staff. For example, the benefit accruing to certain Member States by reason of the substantial financial resources they received from the appointment of their experts and retired staff members, as well as from the major contracts they secured in the field of services, consultancies and so forth should be factored in.

Agenda item 111: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (A/52/5 (Vol. II), A/52/811, A/52/867 and A/52/879; A/53/5 (Vol. I, III and IV), A/53/5/Add.1–10, A/53/217, A/53/335 and Add.1, A/53/508 and A/53/513)

54. **Mr. Schlesinger** (Austria), speaking on behalf of the European Union and the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia, said that the European Union noted the dramatic increase in the workload of the Board of Auditors and, in that context, supported its proposal to seek additional resources in support of its operations. It was also very concerned about the late publication of the Board's reports and requested that they should be published before the start of the regular session of the General Assembly. The European Union wished to underline its continued support for the role of the external auditors in identifying problems in the financial management and administration of the United Nations system, and expressed its concern about the continued slow implementation of the Board's recommendations. It supported the Board's proposal, endorsed in General Assembly resolution 52/212 B on the accountability of programme managers or department heads in the implementation of recommendations. It also supported the strengthening of Headquarters monitoring of financial management in field operations.

55. The wealth of detail contained in the Board's reports reaffirmed the need for a strong and efficient external oversight body as a permanent element of the United Nations system. In particular, the European Union was concerned about continuing problems with asset management and the management of trust funds. It shared the view of ACABQ regarding the Board's findings on over-advancements by UNDP; such funding mechanisms should be used less frequently. The persistent problems associated with the use of consultants were also a cause for concern. The guidelines on the use of consultants should resolve the issue, with the Board monitoring compliance.

56. The European Union shared the view of the Executive Committee of the Office of the United Nations High Commissioner for Refugees (UNHCR) that UNHCR should maintain an annual budget cycle until it had rectified its internal financial management problems. However, the large discrepancies between pledged and received contributions were a cause for concern, and the European Union called on UNHCR to scrutinize every pledge in order to register it as income. It supported the recommendations of the Board regarding recognition for contributions in kind.

57. The European Union had consistently underlined the need for procurement reform, yet the Board had identified numerous irregularities in that area; in some cases, payments to contractors had been made before project completion. It deplored such lax attitudes towards the rules and regulations and agreed that the Board should evaluate the effectiveness of measures taken in the reform process by conducting a horizontal audit of procurement.

58. The European Union agreed with ACABQ and the Board that the payment of salaries on an ex gratia basis to the judges of the International Criminal Tribunal for Rwanda was contrary to the terms contained in the letter of the Secretary-General of 7 March 1995; the judges should therefore reimburse the United Nations for the amount erroneously paid to them.

59. The European Union supported the view that assessed contributions to peacekeeping operations were collectable unless the General Assembly should decide otherwise. The failure of Member States to pay their assessed contributions reduced the Organization's ability to reimburse troop and equipment contributors. It therefore did not concur with the

view of the Board that provision should be made in the financial statements for delays in the collection of assessed contributions.

60. On the question of programme management, he said that the European Union had previously stated that it would like to see the system as a whole impose a formulation of targets and performance indicators as a matter of course for all programmes and projects. Without such targets there could be little or no measurement of programme implementation and no accountability for managers.

61. The European Union agreed with the Board and ACABQ on the viability of the MERCURE Satcom system and was concerned that so much had been spent on a project with little or no consideration given to its technical feasibility. It also shared the concerns that the promotion procedures envisaged in UNITAR were not consistent with those of the United Nations and requested that the situation should be rectified.

62. In conclusion, he said that the reports of the Board of Auditors and the Advisory Committee's comments provided ample evidence of irregularities in the management and administration of United Nations resources and financial regulations and rules. All too often, the failure of managers to abide by the rules had resulted in financial loss, for which they should be held accountable. That was particularly important in the context of human resources reform, which assumed that accountability and delegation of authority would progress in parallel.

63. **Ms. Talbot** (Canada), speaking also on behalf of Australia and New Zealand, said that, while she endorsed the recommendations made by the Board of Auditors and the comments of ACABQ, she wished to comment on some particular concerns. One such concern was the pace of preparedness in managing the year 2000 issue in the Organization's computer systems, since non-compliant systems could threaten the continuous delivery of programmes and services. The United Nations, as well as other funds and programmes, relied on the Integrated Management Information System (IMIS), and, although IMIS had been designed to be year 2000 compliant, there had been no testing. With just over a year remaining, organizations which had not yet tested their systems were at risk; those organizations had failed to take the issue seriously. She questioned the prudence of spending millions of dollars to buy a new computer system when IMIS already existed, and would welcome follow-up by OIOS to assess the action taken to address the problem. The reports of the Board of Auditors had also addressed minor compliance issues; she would like to see those types of issues reported directly to management for follow-up by OIOS. It would only be necessary to report to the General Assembly when appropriate action had not been taken.

64. She had noted with interest the Board's approach to the management audit of technical coordination projects of the fund of the United Nations International Drug Control Programme and encouraged the Board to do more of that type of auditing, since it was already empowered under the Financial Regulations to conduct management audits. For the six United Nations organizations that did not receive funds from the regular budget (the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA), the United Nations University (UNU), the United Nations Institute for Training and Research (UNITAR), the United Nations Office for Project Services (UNOPS) and the United Nations Development Programme (UNDP)), it would be more appropriate if their audited financial reports were first reviewed by ACABQ and then by their respective governing boards. The General Assembly would not need to review them and the number of reports brought before the Committee would be reduced.

65. Further work was needed to ensure that United Nations system accounting standards were fully applied, for example, regarding voluntary contributions to fund specific activities that must be recorded on a cash basis. There was also a need for simplified financial statements. She believed that the number of financial statements could be substantially reduced; that would give Member States and the users of the financial statements, including the Board of Auditors, more time to work on core issues. She encouraged organizations to provide combined data within the required set of financial statements and to present biennial reports.

66. There seemed to be a persistent and widespread lack of control over the hiring, use and evaluation of consultants, leaving the door open for mismanagement and abuse. In view of the recurring problems, management must address that problem seriously and take appropriate action. Finally, she urged the Board of Auditors and the Secretariat to submit its reports in a timely fashion.

67. **Mr. Saha** (India) said that it was imperative to ensure full compliance with the recommendations of the Board of Auditors in order meet the wishes of Member States for much needed structural change, better management, more accountability, increased transparency and strict adherence to the rules and regulations.

68. With regard to some of the specific observations contained in the Board's reports, he said it was a matter of concern that a proper asset management system had not evolved; that had resulted in duplication and waste and a

lack of accountability. An effective system had yet to be put in place to monitor contracts awarded on the basis of delivery schedules. The transfer of unserviceable property at additional cost to the Organization was a perennial problem.

69. The Board had been unable to submit its views on the financial statements of UNDP, UNFPA and UNDCP in the absence of sufficient evidence to conclude that the funds advanced by those organizations for nationally executed programmes had been expended for the intended purposes. The failure of UNICEF to comply with the recommendation outlined in General Assembly resolution 51/225 must also be addressed.

70. Improved control over accounts receivable and accounts payable must be addressed through modification of Release 3 of IMIS. The reconciliation of accounts based on the entry of interoffice vouchers should be taken up without delay. With regard to procurement, proper planning, timely implementation of projects, open tendering to ensure a truly competitive, fair and transparent process, and adherence to established guidelines were the first few steps towards comprehensive reform. In addition, irregularities in the appointment of consultants were repeatedly noted in the Board's reports.

71. Evidently, there were still some lacunae in the manner in which the United Nations was implementing the Board's recommendations. Although representatives of the Secretariat gave assurances from time to time that relatively routine but nonetheless important systemic problems would be addressed immediately, audit reports continued to indicate that those problems were yet to be resolved. His delegation urged the establishment of clear lines of authority and accountability and an inherent control mechanism. Without a proper administrative and financial management system, the achievement of the objectives of the Organization in the most efficient manner would continue to suffer.

Other matters

72. **Mr. Moktefi** (Algeria) drew attention to the fact that the Third Committee was considering a draft resolution (A/C.3/53/L.45) which contained provisions having to do with matters concerning the programme budget. In accordance with the rules of procedure of the General Assembly and with General Assembly resolution 45/248, such matters lay within the competence of the Fifth Committee. He requested the Chairman to write to the Chairman of the Third Committee to request it to respect the procedure.

73. **Ms. Incera** (Costa Rica) supported the request of the representative of Algeria and noted that the Third Committee had taken similar action in the past. In his letter, the Chairman should review the responsibilities of each Committee.

74. **Mr. Sulaiman** (Syrian Arab Republic) said that, at the previous meeting, he had raised the issue of a draft resolution considered directly by the General Assembly in plenary meeting concerning the privileges and immunities of staff, which had financial implications that should have been discussed by the Fifth Committee before action was taken. It must be made clear that resolutions having to do with administrative and budgetary matters were the responsibility of the Fifth Committee.

75. **The Chairman** said that he understood the concerns expressed by members. In 1990, the General Assembly had, in section VI of resolution 45/248 B, expressed its concern at the tendency of its substantive Committees to involve themselves in administrative and budgetary matters. That subject had also been addressed in paragraph 96 of annex V to the rules of procedure of the General Assembly.

76. He suggested that he should write to the Chairman of the Third Committee, drawing attention to the relevant General Assembly resolutions and rules of procedure. That was as much as was within his mandate. He also pointed out that there were 33 sponsors of the draft resolution in question and that those Member States were also represented in the Fifth Committee.

77. **Mr. Zhang Wanhai** (China) said that his delegation agreed with the views that had been expressed and accepted the Chairman's suggestion.

78. **Ms. Silot Bravo** (Cuba) said that her delegation supported the request of the representative of Algeria and suggested that, in his letter, the Chairman should also call attention to General Assembly resolution 52/220.

79. **Mr. Schlesinger** (Austria), speaking on behalf of the European Union, said that the European Union could not join a consensus on the sending of such a letter, since it was within the purview of a Main Committee to pronounce on its financial needs, although it was, of course, for the Fifth Committee to take financial decisions and to work out the details of such provisions.

80. **Mr. Darwish** (Egypt) recalled that at the fifty-second session the Chairman had sent a letter to the Chairmen of the other Main Committees reiterating the importance of respecting the competence of the Fifth Committee in administrative and budgetary matters in accordance with the rules of procedure of the General Assembly. Similar letters

should again be sent to the Chairmen of all the Main Committees.

81. **Mr. Sial** (Pakistan) noted that, as the Chairman had pointed out, in resolution 45/248 B, section VI, the General Assembly had expressed its concern at the tendency of its substantive Committees and other intergovernmental bodies to involve themselves in administrative and budgetary matters; it had also invited the Secretary-General to provide all intergovernmental bodies with the required information regarding procedures for administrative and budgetary matters. While the Chairman might send a letter, there seemed to be a need for better coordination between the secretariats of the Main Committees so that there was greater awareness of the relevant procedures.

82. **Mr. Elmontaser** (Libyan Arab Jamahiriya) said that his delegation supported the statements made by the representatives of Algeria and the Syrian Arab Republic. He would have no difficulty in supporting the sending of such a letter.

83. **Mr. Moktefi** (Algeria) said that he maintained his request. He could not understand why there should be any opposition to the sending of a letter. The rules of procedure were quite clear, but there was a tendency to ignore them.

84. **Mr. Mirmohammad** (Islamic Republic of Iran) said that the Committee could do no less than send a letter. In accordance with the relevant resolutions and rules of procedure, the President of the General Assembly should prevent other Committees from becoming involved in areas falling within the competence of the Fifth Committee.

85. **Ms. Incera** (Costa Rica) said that she was surprised by the views expressed by the representative of Austria on behalf of the European Union. A letter should be sent.

86. **Mr. Odaga-Jalomayo** (Uganda) said that the question was one of principle. General Assembly resolution 45/248 was quite clear: his delegation supported the sending of a letter reaffirming the competence of the Fifth Committee in administrative and budgetary matters. The sponsors of the draft resolution in the Third Committee should reconsider their positions.

87. **Ms. Silot Bravo** (Cuba) said that she supported the Chairman's suggestion regarding the sending of a letter, as should all other delegations.

88. **The Chairman** suggested that the Committee should suspend its meeting to allow for informal consultations.

The meeting was suspended at 12.30 p.m. and resumed at 12.35 p.m.

89. **The Chairman** suggested that he should send a letter to the President of the General Assembly expressing the Committee's concern and drawing attention to General Assembly resolution 45/248 B, section VI, and all subsequent resolutions, and to rule 153 of the rules of procedure, and requesting him to transmit it to the Chairmen of the other Main Committees. He noted that the Secretariat had already drawn the attention of the Third Committee to the concerns of the Fifth Committee in connection with the draft resolution. The Secretary of the Committee could also inform the Secretary of the Third Committee of the views expressed in the Fifth Committee.

90. **Mr. Darwish** (Egypt) said that if the letter was sent only to the Chairman of the Third Committee, with a request for its circulation to other Chairmen, it would appear that the letter was simply for information. The competence of the Fifth Committee in all administrative and budgetary matters must be made clear.

91. **The Chairman** said that it was his intention to reaffirm the role of the Fifth Committee to the Chairmen of the other Main Committees through the President of the General Assembly; the letter would not be simply for information.

92. **Mr. Sulaiman** (Syrian Arab Republic) said that his delegation could accept that suggestion. At the previous meeting, his delegation had requested the Chairman to inform the President of the General Assembly that the General Assembly itself had taken action on a draft resolution on privileges and immunities which had financial implications without first referring the matter to the Fifth Committee.

93. **Mr. Atiyanto** (Indonesia) asked when the letter would be sent.

94. **Mr. Sial** (Pakistan) said that the Chairman's letter should be sent later that day and should be issued as an official document of the Committee.

95. **Mr. Moktefi** (Algeria) said that his delegation joined the emerging consensus; he agreed that the letter should be issued as an official document.

96. **Mr. Cardoze** (Panama) welcomed the Chairman's suggestion.

97. **The Chairman** noted that on 17 November the Director of the Programme Planning and Budget Division had sent a letter to the Chairman of the Third Committee drawing attention to all the points raised by members of the Fifth Committee.

98. **Mr. Odaga-Jalomayo** (Uganda) said that his delegation was concerned about the issue of timing. Perhaps the letter could suggest that the Third Committee should delay its consideration of the matter.

99. **The Chairman** said that he would draft and transmit the letter as soon as possible, but did not wish to include any deadlines. He would be in a position to report back to the Committee the next morning.

100. **Mr. Atiyanto** (Indonesia) agreed that the timing was very sensitive. A copy of the letter to the President of the General Assembly should be sent to the Chairmen of all the Main Committees.

101. **The Chairman** said that he could not follow that procedure.

102. **Mr. Orr** (Canada) said that the Secretary of the Committee, in his consultations with the Secretary of the Third Committee, should discuss only the procedural aspects, and should not refer to the substantive aspects of the draft resolution, which was the subject of sensitive negotiations.

103. **The Chairman** appealed to delegations to speak to their colleagues on the Third Committee, which was intending to take action on the draft resolution the next afternoon.

104. **Ms. Martinez** (Ecuador) said that she would like to see the text of the letter before it was sent.

105. **Mr. Odaga-Jalomayo** (Uganda) said that his delegation appreciated the efforts of the Chairman to expedite matters and ensure that the letter was sent before the Third Committee took action. His delegation saw no need for the Chairman to show the text of the letter to the Fifth Committee before sending it.

106. **The Chairman** said that the letter would in any event be issued as a document of the Fifth Committee.

107. **Mr. Moktefi** (Algeria) and **Ms. Incera** (Costa Rica) agreed that the letter should be sent immediately; there was no need to consult the Committee further.

108. **Ms. Silot Bravo** (Cuba) said that the Third Committee should be urged not to adopt the draft resolution pending receipt of the letter.

109. **Mr. Saha** (India) said that a consensus was emerging on the Chairman's suggestion, which should be accepted.

110. **The Chairman** appealed to members of the Committee to support his suggestion and allow him to send the letter without delay.

111. **Mr. Schlesinger** (Austria) said that the European Union could join the consensus on the understanding that the letter would draw the attention of the President of the General Assembly to resolution 45/248 and ask him to transmit the letter to the Chairmen of the Main Committees.

112. **The Chairman** suggested that the letter to the President of the General Assembly should draw attention to resolution 45/248 and to all subsequent resolutions as well as to rule 153 of the rules of procedure and request him to bring those provisions to the attention of the Chairmen of the Main Committees, taking into account the short time remaining before those Committees completed their work for the session. He took it that the Committee wished him to send a letter along those lines immediately.

113. *It was so decided.*

The meeting rose at 1 p.m.